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Security Information

ORR'S RECOMMENDED CHANGES IN DRAFT TEXT OF SE-37

1. Paragraph 5: Insert as penultimate sentence:

"The adverse economic effects of a naval blockade of Communist China would probably decrease rather than increase with the passage of time."

2. Paragraph 10: For the sake of completeness in Line 4 after "Panama" insert "Liberia".

3. Paragraph 13: In order to maintain consistency between paragraphs 13 and 27a, change last sentence of paragraph 13 to read "and then rose to 270,000 tons in the first half of 1952 and 290,000 tons in the second half of 1952."

4. Paragraph 15: Change second sentence to read "Chinese Communist claims also indicate that imports in 1952 remained at roughly the same level as in 1951."

5. Paragraph 16: Change last sentence to read "On the basis of partial evidence we estimate the volume of overland exports to the Soviet Bloc during 1952 at 3 million tons."

6. Paragraph 18: In order to maintain consistency with Paragraph 43b (which is correct) change last sentence of Paragraph 18 to read "In view of the excess of standard gauge rolling stock in the Soviet Bloc the diversion of supplies thereof to Communist China does not represent a strain on Bloc transportation facilities."

7. Paragraph 20: Change last clause of last sentence to read "and it certainly could have been accomplished at less cost to Communist China."

8. Paragraph 21: Delete second sentence and insert "Chinese equipment captured in Korea during the past six months indicates that the USSR is currently supplying the Communist forces with most of its heavy and light arms and ammunition with the exceptions of some recoilless rifles and mortars which the Chinese manufacture from U.S. models. Meanwhile, it seems likely that Communist China may be retooling its munitions industry to produce Soviet type equipment." Change last sentence to read "In addition the USSR is providing virtually all POL."

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9. Paragraph 25: First sentence: after "shipping" insert "including ship repair".

10. Paragraph 28: After last sentence insert " - which would theoretically give Communist China a small improvement in its foreign exchange position to apply to the additional cost of confining its trade to overland traffic with the Soviet Bloc."

11. Paragraph 29: Change first sentence to read "The Soviet Bloc could supply most of the essential imports which Communist China would have received from the West."

12. Paragraph 29a: In the first sentence between "total" and "exports" insert "volume of". Change last sentence to read "However, Communist China plans to increase its production of strategic minerals with which to pay for its imports from the Soviet Bloc, and other exports from Communist China could be increased so that there would be little or no net effect on Communist China's debtor position in the Bloc."

13. Paragraph 35a: Delete "and would be receiving from Communist China commodities that are less essential to its needs" and insert "while Communist China's increasing production of strategic minerals would be available for export to the Bloc for current needs or stock-piling."

14. Paragraph 35b: Change last sentence to read "It has been estimated that under a total embargo there would be no increase in the trade deficit; likewise there would be no increase in transport costs since Soviet Bloc shipping would carry much of the freight now handled by Western shipping."

15. Paragraph 35c: First sentence: Change "Soviet Bloc" to "Soviet Union". In second sentence delete "further".

16. Paragraph 37: Delete first sentence and insert "The capacity and efficiency of the Chinese Communist railway system have apparently improved to the point where it could handle any additional burden which might be imposed by a total embargo. The planned extension of Chinese Communist railway lines and the possible increased load under conditions of an embargo would require additional equipment and supplies."

17. Paragraph 42: After "9,100 tons" insert "of cargo".

18. Paragraph 43a: In the third sentence, between "into China by sea" and "could be carried" insert "(which is estimated to be moving in at the current rate of 4,200 tons per day)". Change last sentence to read "Additional rolling stock would have to be diverted from other rail lines in the Soviet Union and a reduction made in the normal peacetime volume of commodities moving to the Soviet Far East."

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19. Paragraph 44: Between second and third sentence insert "Rail lines do not serve some of the areas now served by coastal shipping. In these areas, particularly South China, a reversion to more primitive means of transport would result."

20. Paragraph 49: Second sentence, after "good highways" insert "and waterways."

21. Paragraph 50e: "Ta-Hsien" should be "Te-Hsien" and "Shi (West) Rivers" should be "Hsi (West) Rivers."

22. Paragraph 51: Line 10 change "into Northeast Korea at Tumen" to "into Northeast Korea at Hongui" (Note: the city of Tu-men is in Manchuria).

27 February 1953

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